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United States General Accounting Office
Washington, DC 20548

November 30, 2000

The Honorable Jeff Sessions
United States Senate

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Subject: Consequences of the Ruling by the 11th Circuit Court of Appeals on Forest Management Projects

Dear Senator Sessions:

In February 1999, the United States Court of Appeals for the 11th Circuit (the appeals court); which consists of Alabama, Florida, and Georgia; reversed a January 30, 1998, district court decision on the Forest Service's management of timber-cutting projects in the Chattahoochee National Forest. The Sierra Club challenged the Forest Service's approval of eight timber sale projects in this forest and alleged that the Forest Service lacked the required inventory or population data on (1) the proposed, endangered, threatened, or sensitive species of plants and animals and (2) the management indicator species (selected representative species used to estimate the effects of forest plans on forest ecosystems) required by the Chattahoochee-Oconee Forest Plan and the Forest Service's own regulations. The appeals court held that the Forest Service's approval of these projects was arbitrary and capricious because the agency lacked the required inventory or population data.

Originally, we undertook this work at the request of the late Senator Paul D. Coverdell. You requested that we continue this work. As agreed with your office, this report addresses (1) the number of the Forest Service's timber sales and vegetative management projects (such as trail construction work and prescribed burning) suspended as a result of the appeals court's decision and (2) the types of financial, economic, environmental, and other consequences that the Forest Service and other stakeholders have attributed to the appeals court's decision. As agreed, we obtained data describing the suspended projects and the related consequences when available. When data were unavailable, we obtained the opinions of Forest Service officials and other stakeholders, including environmental, community, and recreational groups, about the potential consequences. When possible, we provide quantitative information on the consequences attributed to the appeals court's decision.

Results in Brief

The decision by the United States Court of Appeals for the 11th Circuit resulted in the Forest Service's suspending or maintaining the suspension of 49 projects within

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GAO-01-51R Forest Management Projects

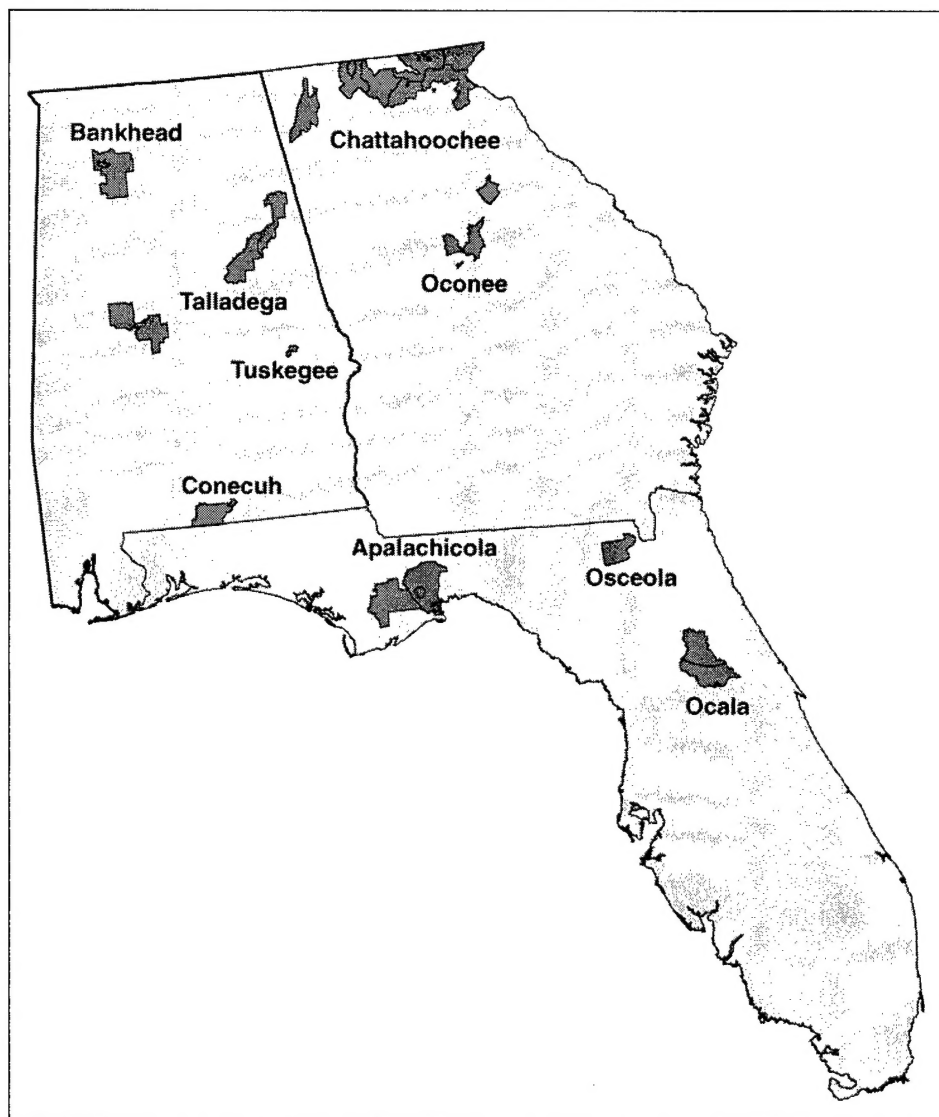
Georgia's Chattahoochee-Oconee National Forests—22 for contracted timber sales and 27 for vegetative management actions. The appeals court's decision did not result in the suspension of projects in other national forests in Alabama and Florida. Since the court's decision, the Forest Service has advertised new timber sales in Florida, but it has not advertised any new timber sales in Georgia or Alabama except for timber salvage sales resulting from the damage caused by southern pine beetles.

According to information obtained from and the views of Forest Service officials and other stakeholders, the appeals court's decision has had various financial, economic, environmental, and other consequences relating to timber sales and vegetative management projects in the Chattahoochee-Oconee National Forests. In some instances—such as the suspended timber sale projects—the consequences could often be quantified in terms of monetary claims against the Forest Service and reduced receipts to local communities. For example, as of August 2000, three purchasers involved with 8 of the 22 suspended timber sales had filed claims against the Forest Service totaling nearly \$1.3 million. In other instances—such as the suspended vegetative management projects—the consequences are more qualitative. According to Forest Service officials, the suspensions affected the Forest Service's ability to control for wildfires, sedimentation, and southern pine beetle infestations; to protect endangered species; and to ensure habitat diversity. Although the environmental group representatives could not provide us with any data related to the consequences associated with the suspended timber sales and vegetative management projects, they generally believed that suspending these projects would improve soil stability, decrease runoff, and increase species diversity.

Background

Established in 1905 within the U.S. Department of Agriculture, the Forest Service manages about 192 million acres of public lands in national forests and grasslands. Under the Multiple-Use Sustained-Yield Act of 1960, the Forest Service manages national forests for a variety of uses, including outdoor recreation, grazing, timber, and wildlife and fish. The Forest Service's lands are located in 44 states, the Virgin Islands, and Puerto Rico. Annually, the Forest Service spends about \$3 billion to operate and manage its organization and lands and generates about \$576 million in receipts from its various operations. The National Forest System includes 155 national forests that are managed by nine regional offices and numerous individual forest offices and district offices. The Forest Service's Southern Regional Office, located in Atlanta, Georgia, has responsibilities in 13 states (including Alabama, Florida, and Georgia) and for the national forests within those states, including the Chattahoochee-Oconee National Forests in northern Georgia. The Chattahoochee National Forest covers about 749,550 acres, and the Oconee National Forest covers about 115,483 acres. Figure 1 shows the location of the nine national forests in Alabama, Florida, and Georgia.

Figure 1: National Forests in Alabama, Florida, and Georgia



Source: GAO's presentation of data provided by the Forest Service's Southern Regional Office.

The National Forest Management Act of 1976 requires the Forest Service to, among other things, (1) develop a plan to manage the lands and the resources of each national forest in coordination with the land management planning processes of other federal agencies, states, and localities and (2) revise each plan at least every 15 years. The Land and Resource Management Plan (the forest plan) establishes how various land areas within a forest may be used and, as such, is analogous to a zoning ordinance. An individual project or activity, such as building a road or harvesting timber, may take place only if it is consistent with the plan and after site-specific environmental review, which often includes public notice, comment, and administrative appeal. The Forest Service's planning regulations establish detailed procedures for developing a forest plan. These

regulations require the agency to, among other things, provide for a diversity of plant and animal communities and tree species consistent with the objectives of the forest plan. Forest plans are developed in accordance with the National Environmental Policy Act (NEPA), and the process provides opportunities for public involvement.

In 1991, the Forest Service proposed eight timber sales (involving approximately 2,000 acres) within the Chattahoochee National Forest. In addition to the logging, the timber projects would require a total of 18 miles of road construction. After studying the projected impact of the sales, the Forest Service determined that there would be no adverse impact and approved the sales between 1992 and 1995. In April 1996, the Sierra Club filed suit (*Sierra Club v. Martin*), contending that these timber-cutting projects would harm plant and animal species in the forest. The Sierra Club argued that, among other things, the Forest Service did not obtain, and therefore did not consider, population inventory and trend data for proposed, endangered, threatened, or sensitive species of plants and animals (collectively referred to as "PETS species" and "management indicator species" (selected representative species used to estimate the effects of the forest plans on forest ecosystems), as required by the National Forest Management Act, applicable regulations, and the forest plan. Without these data, the Sierra Club claimed that the study of the affected area was inadequate, making the decision to proceed with the timber sales arbitrary and capricious.

In April 1996, the Forest Service agreed to suspend the eight timber sale projects for 20 days. As a result of a preliminary injunction in this litigation, work on the sales was suspended in May 1996. In January 1998, the U.S. District Court for the Northern District of Georgia ruled that the Forest Service's population inventory and trend data for PETS species were adequate and therefore the Forest Service could proceed with the sales. In February 1999, the United States Court of Appeals for the 11th Circuit in Atlanta reversed the district court's decision.¹ The appeals court held that the Forest Service's decision to approve the timber sales was arbitrary and capricious because the agency lacked the required inventory or population data on (1) PETS species of plants and animals and (2) management indicator species. According to the Chattahoochee-Oconee Forest's Natural Resources Staff Officer—the individual the Forest Service designated as our principal contact regarding issues related to the appeals court's decision—the eight timber sale projects were initially suspended in April 1996 and, except for a short period, have remained in suspension since. The appeals court's decision applied, at a minimum, to the Oconee National Forest in Georgia and other national forests in Alabama and Florida. In May 1999, the Forest Service suspended additional timber sale projects and other vegetative management projects in the Chattahoochee-Oconee National Forests to ensure these projects also met the species data requirements and to reduce the risk of further litigation, according to the Forest Service's Southern Regional Director of Planning.

¹*Sierra Club v. Martin*, 168 F.3d 1 (11th Cir. 1999).

The Forest Service planned to resume its suspended timber sales and other projects during the late summer or early fall of 2000. However, in July 2000, environmental groups sued the Forest Service (*Sierra Club v. Estill*) alleging, among other things, that the agency had approved numerous projects both within the Chattahoochee-Oconee National Forests and in other forests in the Southern Region without obtaining species population data as required by the National Forest Management Act, applicable regulations and forest plans, and the appeals court's decision in *Sierra Club v. Martin*. According to the Forest Service, the challenged projects are all within the Southern Region. At the time of our review, the government had not yet responded to the complaint.²

Number of Timber Sales and Vegetative Management Projects Suspended as a Result of the Appeals Court's Decision

The appeals court's decision resulted in the Forest Service's suspending or maintaining an earlier suspension of 22 contracted timber sales and 27 vegetative management projects within the Chattahoochee-Oconee National Forests. The court's decision did not result in the Forest Service suspending any projects in the national forests in Alabama and Florida.³ The Forest Service has advertised new timber sales in Florida, but it has not advertised any new timber sales in Georgia or Alabama since the court's decision, except for timber salvage sales resulting from damage caused by southern pine beetles.

Suspended Contracted Timber Sales in the Chattahoochee-Oconee National Forests

The Forest Service's records indicate a total of 22 suspended contracted timber sales in the Chattahoochee-Oconee National Forests that can be attributed either directly or indirectly to the appeals court's ruling. The purpose of the 22 timber sales was to meet the forest plan's goals and objectives, address forest health issues, meet wildlife and habitat needs, supply a continuous and predictable output for the timber industry, maintain diversity of habitat and plants, and manage the ecosystem. The timber sales would also allow for the construction and maintenance of additional roads, which could be used by others, such as recreationalists.

The original district court case involved the suspension of eight timber sales in the Chattahoochee National Forest. While three of these timber sales were never advertised or contracted, the Forest Service had entered into contracts for the remaining five sales

²According to the Forest Service, an amended complaint adding new national forests and projects was filed on October 10, 2000, and a motion for preliminary injunction was filed that same date. The government's answer and response are due on December 1, 2000.

³The Bankhead, Conecuh, Talladega, and Tuskegee National Forests in Alabama encompass about 664,000 acres of public land, and the Apalachicola, Ocala, and Osceola National Forests in Florida cover about 1.25 million acres.

and the timber was being harvested at the time of the litigation. In April 1997, the Forest Service and the respective purchaser mutually agreed to terminate one of the five timber sales contracts, leaving four suspended timber sales. In April 1999, environmental groups demanded that the Forest Service refrain from conducting timber-harvesting projects that were being conducted in the absence of the PETS and management indicator species population inventory and trend data required by *Sierra Club v. Martin*. In May 1999, the Southern Regional Forester determined that the conditions in all of the Chattahoochee-Oconee National Forests timber sales were the same as, or nearly the same as, the conditions in the timber sales involved in the original district court case. As a result, 16 additional timber sales from the Chattahoochee-Oconee National Forests were suspended. The Forest's Natural Resources Staff Officer stated that the appeals court's ruling also resulted in a decision to continue the suspension of two timber sale projects that had been subject to other litigation in 1993 and 1998, thus making a total of 22 suspended timber sales.⁴ See enclosure I for a description of these timber sales.

Suspended Vegetative Management Projects in the Chattahoochee-Oconee National Forests

The Forest Service suspended 27 projects in the Chattahoochee-Oconee National Forests that dealt with modifying vegetation and habitat. In April 1999, in addition to insisting that the Forest Service refrain from timber-harvesting projects, environmental groups demanded that it refrain from conducting other vegetative management projects that were being conducted in the absence of data and trend analyses on (1) PETS species of plants and animals and (2) management indicator species, as required by *Sierra Club v. Martin*. In May 1999, the Forest Service responded to the environmental groups' demands and stated that it was reviewing its processes and documents related to monitoring compliance for these data. As part of the review, on May 14, 1999, the Forest Service decided to suspend 27 other projects in the Chattahoochee-Oconee National Forests that dealt with the modification of vegetation and habitat. According to the Forest's Natural Resources Staff Officer, the purpose of each of the 27 suspended vegetative management projects was either not accomplished or has been delayed. Table 1 summarizes information about these projects, and enclosure I provides additional information about them.

³In December 1999, the number of suspended active timber sales decreased from 22 to 20 sales because the Forest Service and the respective purchaser mutually agreed to terminate 2 of the suspended sales.

Table 1: The Type and Purpose of 27 Suspended Vegetative Management Projects

Project type	Purpose	Number
Trail/campsite construction	Protect soil and water resources, increase access, and improve recreation opportunities.	5
Prescribed burning	Lessen the impact and the potential devastation associated with wildfires; reduce thick underbrush (which helps eliminate hiding and ambushing cover for predators); and promote new growth of grasses, brush, and tree sprouts that are nutritional and palatable to wildlife.	6
Timber stand improvement	Free selected crop trees from competing vegetation that is surrounding or overtopping vegetation, which also improves forest health. According to the Forest Service, precommercial thinning has a preferred window, which, if missed, increases the total cost to accomplish the work.	7
Shooting range	Provide a safe, controlled area for public safety.	3
Wildlife opening	These openings—maintained parcels of habitat (usually 1 to 3 acres) within wildlife management areas that are scattered throughout a forest—are seeded and fertilized to produce a supplemental food source that is nutritional. Once an opening is established, mowing a few times a year is usually all that is required for maintenance. The Forest Service also uses herbicides on wildlife openings to eliminate unwanted invasive grasses and weeds.	5
Helispot	Support prescribed burning and wildfire suppression efforts by improving the efficiency of projects and response times to wildfires.	1

Source: GAO's presentation of information provided by the Forest Service.

Suspended Projects in Other National Forests

The appeals court's decision did not result in any suspended projects within the national forests in Alabama and Florida. The Forest Service has continued to advertise new timber sales in Florida, but it has not advertised any new timber sales in Alabama or Georgia. The Forest Service decided, because of the appeals court's ruling, to limit existing timber-harvesting projects in the Alabama national forests to either sales contracts made before the appeals court's decision or timber salvage sales resulting from the damage caused by southern pine beetles. According to a Forest Service forest planner in Florida, the Forest Service did not suspend any timber sale projects in Florida as a result of the appeals court's decision because the Florida Forest Plan was revised in the spring of 1999 with language clarifying the implementation of the regulation on species population surveys at the project level. In August 1999, an environmental group appealed the plan's revision and alleged it failed to comply with the National Forest Management Act and the requirements of the *Sierra Club v. Martin* decision in terms of ensuring the viability of PETS species. As of October 25, 2000, the Forest Service had not made a final decision on the environmental group's appeal.

Financial, Economic, Environmental, and Other Consequences Associated With the Appeals Court's Decision

The appeals court's decision has had various consequences related to the suspended timber sales and vegetative management projects in the Chattahoochee-Oconee National Forests in Georgia. With respect to the suspended timber sales, the consequences have primarily been financial and economic and, secondarily, environmental and operational. With regard to the vegetative management projects, the consequences have been mostly environmental and, to a lesser extent, financial and economic, and operational.

Consequences of Suspended Timber Sales

The suspended timber sales have primarily had financial and economic consequences and, to a lesser extent, have affected the environment and the Forest Service's operations. For example, their suspension resulted in monetary claims against the Forest Service and reduced the receipts that go to local communities.

Financial Impacts

Numerous purchasers of small amounts of timber rely on a portion of their wood supply from the Chattahoochee-Oconee National Forests. In the northern Georgia counties, only a limited supply of private timber has been available to these purchasers for replacement timber purposes, according to the Forest Service Southern Regional Director of Planning. The 22 suspended timber sales involved 13 timber purchasers (some purchasers were involved in more than one sale). We attempted to contact each of the 13 purchasers to discuss the suspended sales and were successful in reaching either the purchaser or a legal representative in 10 instances. In these discussions, the timber purchaser or legal representative indicated that financial losses were incurred because the Forest Service suspended the timber sales. Three of the timber purchasers filed formal claims, specifying the amounts lost, against the Forest Service. Another purchaser agreed to settle his claim informally as part of a negotiated settlement with the Forest Service, and the other six purchasers did not provide supporting evidence that losses were incurred and have not filed a claim against the Forest Service.

As of August 2000, three purchasers had filed claims (involving eight timber sale contracts in the Chattahoochee-Oconee National Forests) against the Forest Service that totaled nearly \$1.3 million. Their claims alleged that the Forest Service is in material breach of their contracts by the wrongful suspension and interruption of them. Each of the three purchasers used a different method to calculate the damages claimed. One calculated the damages according to the net income lost due to the suspension. Another calculated the damages according to the difference between the cost of timber from the Forest Service and the cost paid for replacement timber. The third calculated the damages according to the difference in the revenues it received from the replacement timber and the revenues it would have received from the Forest Service's timber. For

the eight timber sale contracts, the amount of each filed claim ranged from about \$6,000 to about \$388,000.

The purchaser that agreed to settle his claim informally as part of a negotiated settlement with the Forest Service said that the suspension of his two timber sales caused him to go out of business. This purchaser accepted a negotiated settlement with the Forest Service for about \$100,000 that included nearly \$93,000 for out-of-pocket expenses incurred plus some other claims and costs. The purchaser stated that he settled for less than the amount claimed because he was about to lose his house. This purchaser declared that 85 percent of his business depended on timber from the National Forest System. When the Forest Service paid these claims, the sales were mutually terminated. Because of the cancellations, some of the objectives associated with the projects were not achieved, such as fuel reduction and habitat enhancement opportunities, according to the Forest's Natural Resources Staff Officer. If the Forest Service elected to readvertise and sell this timber at a later date, there would be potential costs associated with any additional analysis required by NEPA, as well as sale preparation work, preparation of new contracts, and advertising the sales.

Economic Impacts

Fiscal year 2000 timber receipts in Georgia were reduced, in part, because of the suspension of timber sales related to the *Sierra Club v. Martin* ruling, according to the Forest's Natural Resources Staff Officer and the Forest Service Southern Regional Finance Manager. Similarly, the lack of new timber sales in Alabama contributed to a decrease in fiscal year 2000 timber receipts for Alabama counties, according to the Forest Service Staff Officer for Land Management Planning and Natural Resources in Alabama. However, according to Forest Service officials, budget constraints and a shift in the Forest Service's mission from timber harvesting to forest stewardship also contributed to the recent downward trend in timber sales and related receipts. Enclosure II provides information on timber cut and sold in fiscal years 1996 through 2000.

According to 11 of the county representatives we spoke with from the affected counties in Georgia and Alabama, the economic impact on their counties was minimal because timber receipts are a relatively small part of their budgets. However, three county officials stated that the loss of the timber receipts would hurt their local county budgets. The Twenty-Five Percent Fund Act of 1908 (16 U.S.C. 500) requires the Forest Service to return 25 percent of the gross receipts from each national forest to the states in which those lands are located. The states must spend these funds on schools and roads within the counties in which the national forests are situated. According to the Forest's Natural Resources Staff Officer, the states traditionally distribute these funds to counties according to the amount of national forest acreage in that county. While the majority of these funds (between 85 percent and 90 percent) are generated from timber sales, funds

are also generated from receipts from grazing, recreation special uses, recreation user fees, minerals, and land special uses.

While the Chattahoochee-Oconee National Forests returned a total of about \$261,000 from gross timber-related receipts to Georgia in fiscal year 1999, the Forest Service estimates that receipts from these forests will total about \$18,000 in fiscal year 2000. For Alabama, the Forest Service returned a total of about \$627,000 from timber-related sales in fiscal year 1999 and estimates that the receipts from them will total about \$467,000 in fiscal year 2000. We could not determine the portion of the projected decrease in timber-related receipts attributable to the suspended timber sales because several other factors, such as budget constraints and an increase in forest stewardship projects to promote forest health, also contributed to the decrease in timber sales and receipts from national forests in Georgia and Alabama. Enclosure III lists the receipts by county within Georgia and Alabama.

Environmental Impacts

Data are generally not available to precisely determine the environmental impacts of the suspended timber sales. Among the stakeholders we contacted, opinions differ. The Forest's Natural Resources Staff Officer stated that suspending the timber sales adversely affected the environment by reducing the Forest Service's ability to protect the soil and water from sedimentation coming from roads. The Chattahoochee-Oconee National Forests have approximately 1,250 miles of road that need to be maintained. The majority of road use is for recreational purposes, such as camping, fishing, and hunting. Stipulations in timber sale contracts require timber purchasers to pay deposits, which are later used to perform maintenance on the roads they use to access the timber sale.

In contrast, environmental group representatives, such as one group's legislative director and an attorney who represented the plaintiffs, told us that suspending timber sales would have a positive effect on the environment. In general, these representatives said timber harvesting and related projects (such as road maintenance) disturb the soil, increase the runoff into waterways, decrease visual quality, fragment the forest, and decrease the regeneration of native trees and recreational resources. Environmental groups believe that eliminating timber harvesting and its related activities would avoid these problems.

Operational Impacts

The appeals court's decision also resulted in changes to the Forest Service's related forest plans and in shifting staff to work in other areas or to address the appeals court's findings. The Forest Service developed amendments for the forest plans for Georgia and Alabama and incorporated changes in the Florida Forest Plan that was under revision at the time of the decision. According to the Forest Service's Southern Regional Director of Planning, the amendments clarify the implementation of the regulation in how species

inventory data are collected. Another impact the Forest's Natural Resources Staff Officer cited was a shift in workload requirements. With traditional work in the resource areas unavailable as a result of suspending the projects, some Forest Service employees, such as timber markers, were reassigned to work in such other areas as recreation and wilderness management. In other instances, employees had to go on numerous and extended details away from their families to other forests, both in and outside the Southern Region. However, funding constraints and the suspension contributed to this shift in workload requirements. In total, the Forest Service reassigned approximately 25 employees to work in other program areas not affected by the appeals court's ruling. Forest Service officials, such as the Forest Service Staff Officer for Land Management Planning and Natural Resources in Alabama, also noted that the agency has incurred additional costs because professionals from both the Alabama and Georgia national forests have focused their staff resources on addressing the findings of the appeals court. For example, the Forest's Natural Resources Staff Officer told us wildlife biologists, silviculturists, and other employees have been unable to devote their time to achieving the goals and objectives of the forest plan because they have had to focus their time on addressing the findings of the appeals court.

Identified Consequences of Suspended Vegetative Management Projects

Generally, data are not available to conclusively determine the consequences associated with suspending vegetative management projects, such as prescribed burning. However, according to the viewpoints of Forest Service officials and other stakeholders, the consequences have been mostly environmental and, to a lesser extent, financial and economic and operational. For example, according to Forest Service officials, some of the suspended projects affected the Forest Service's ability to control for wildfires, sedimentation, and southern pine beetle infestations; to protect certain nesting colonies of the red-cockaded woodpecker (an endangered species) because of the damage to trees by southern pine beetle infestations; and to ensure habitat. In contrast, according to environmental group representatives, suspending the projects could improve soil stability, decrease runoff, and increase species diversity.

Environmental Impacts

Forest Service officials stated that the suspension of prescribed burning and cut-and-remove operations to control southern pine beetles has limited the agency's ability in the Chattahoochee-Oconee National Forests to actively manage infestations of them, offset suppression costs, and protect the red-cockaded woodpecker. For example, the Forest's Natural Resources Staff Officer stated that the agency agreed not to use the preferred management technique, cut and remove, because of an oral agreement with the plaintiffs out of a concern that they would challenge the actions and allege the Forest Service lacked adequate data. According to a Forest Service Threatened and Endangered Species Specialist, the effects of the southern pine beetle infestations on both the numbers of trees and the red-cockaded woodpecker would not begin to be known until next year.

The Chattahoochee-Oconee National Forests and the national forests in Alabama have a history of southern pine beetle infestations and storm damage. According to Forest Service officials, both Georgia and Alabama experienced southern pine beetle infestations at an epidemic level this past year. The Forest Service prefers to use the cut-and-remove control method, which it says is about 90 to 95 percent successful in controlling the southern pine beetle infestations. Instead, it is using the cut-and-leave control method, which is about 75 percent successful, because of demands from environmental groups (including the Sierra Club, the Wilderness Society, the Georgia Forestwatch, the Rabun County Coalition to Save the Forest, the Armuchee Alliance, and the Friends of Georgia) that are related to the appeals court's ruling. These environmental groups favor this method because they view it as less destructive to the environment.

According to the Forest's Natural Resources Staff Officer, the accumulation of dead and dying vegetation from using the cut-and-leave control method increases the potential risk of wildfires. He also told us that the potential exists for the problems caused by infestations of southern pine beetles to spread onto private property because of the Forest Service's lack of action to more effectively treat these problems. These infestations are threatening the habitat of the red-cockaded woodpecker in the Oconee National Forest. Although the Forest Service suspended southern pine beetle control cut-and-remove operations forestwide in the Chattahoochee-Oconee National Forests, the agency advertised for two cut-and-remove timber sales for the section of the Oconee National Forest damaged by the southern pine beetle infestation that was threatening the habitat of the red-cockaded woodpecker.

On an annual basis, the Forest Service had previously conducted prescribed burns on 30,000 to 40,000 acres a year in the Chattahoochee-Oconee National Forests to remove combustible vegetation because fuel reduction lessens the potential for major fires during periods of drought or high fire danger.⁵ In addition, prescribed burns reduce the thick underbrush, which helps eliminate hiding and ambushing cover for the predators of some species and provides a food source for wildlife. According to Forest Service officials, suspending these activities has increased the chances for wildfires and adversely affected the habitats of certain species.

In addition to the environmental impacts associated with suspending the prescribed burning projects, a related project that was suspended—developing a helicopter landing and take-off area—has affected the efficiency of fire suppression during the initial attack of wildfires and the agency's prescribed fire program. According to the Forest's Natural Resources Staff Officer, other suspended projects, such as the relocation of off-highway vehicle trails and camping sites, also affected the soil and water resources in the Chattahoochee-Oconee National Forests.

⁵See *Reducing Wildfire Threats: Funds Should Be Targeted to the Highest Risk Areas* (GAO/T-RCED-00-296, Sept. 13, 2000) for a discussion of previous GAO work dealing with wildfire issues.

Although some of the environmental group representatives told us that not enough time has passed to observe any impact, in general, they said that over time the suspended vegetative management projects, much like the suspended timber sale projects, would be environmentally damaging. They felt these projects would disturb the soil, increase the runoff into waterways, fragment the forest, and adversely impact the regeneration of native trees and recreational resources.

Financial and Economic Impacts

While the cost of using the cut-and-remove method to control southern pine beetle infestations is partially offset by the revenues from the sale of salvaged timber, the cut-and-leave method does not. For example, the Forest Service spent about \$170,000 from October 1999 through July 2000 to control southern pine beetle infestations in the Oconee National Forest through the cut-and-leave method. It estimates it could have earned about \$301,000 by selling the timber, if not for the appeals court's ruling.

Suspending vegetative management projects also reduced the number of service contracts the Forest Service annually awarded to local contractors for such services as timber stand improvement, reforestation, and site preparation. According to the Forest's Natural Resources Staff Officer, suspending vegetative management projects caused the cancellation of 10 service contracts for herbicide spraying, planting, and thinning. These contracts, involving 2,695 acres with a total value of about \$121,000, would have been made with local small businesses and private individuals.

Operational Impacts

According to the Forest's Natural Resources Staff Officer, suspending the projects has affected the Forest Service's ability in the Chattahoochee-Oconee National Forests to meet its obligations with many of its external partners. These obligations include wildlife-related projects, such as food plot development and maintenance, prescribed burning, and shooting range construction, that were planned with state and local conservation groups, such as the Georgia Department of Natural Resources, the National Wild Turkey Federation, the Georgia Bounty Runner's Club, and the Southern 4-Wheel Drive Association. Several trail construction and reconstruction projects planned with recreational user groups have been put on hold. Because of budget constraints, the Forest Service has had to increasingly rely on partnerships and cooperative agreements with other public and private entities that have an interest in conservation and the management of national forest lands.

Agency Comments

We provided a draft of this report to the U.S. Department of Agriculture's Forest Service for its review and comment. The Forest Service commented that much of the

information in the draft report was correct and offered some technical clarifications, which were incorporated into the final report as appropriate.

The Forest Service's comments also discussed a number of other matters, such as the role of monitoring for various species and changes in its monitoring role. In addition, the Forest Service reaffirmed its commitment to implement direction in the Southern Region's Land and Resource Management Plans regarding the circumstances under which it is appropriate to conduct inventories for proposed, endangered, threatened, and sensitive species. The Forest Service also maintained its commitment to implementing direction in its planning regulation stating that "Population trends of management indicator species will be monitored and relationships to habitat changes determined." We did not revise the report to reflect these comments because they do not specifically address the objectives we examined or the information we present in this report. However, we include the Forest Service's comments in appendix IV.

Scope and Methodology

We focused our efforts on identifying the projects the Forest Service suspended because of the February 1999 decision by the appeals court, which has jurisdiction in Alabama, Florida, and Georgia. Our work was limited to the Forest Service's national forests within those states.

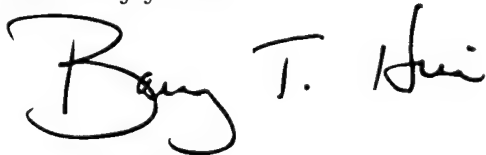
To meet our objectives, we interviewed officials at the Forest Service's Southern Regional Office and the responsible forest offices and obtained data on timber sales and vegetative management projects from them. We relied on Forest Service staff to identify the projects that were suspended and sought concurrence with plaintiff representatives that the projects identified as suspended were the only affected projects.

To determine the type of consequences that could be associated with the appeals court's ruling, we met with or contacted Forest Service officials in the Southern Region (including officials in the Alabama, Florida, and Georgia forest offices); environmental, timber industry, and community representatives; and the regional general counsel for the U.S. Department of Agriculture. The environmental groups we contacted included the Sierra Club, the John Muir Project, the Wilderness Society, the Georgia Forestwatch, the Southern Appalachian Forest Coalition, and the Chattooga Conservancy. The timber industry groups we contacted included the Southern Timber Council and the Alabama Forestry Association. The community representatives included commissioners and administrators from counties in Georgia and Alabama that have national forests. We also contacted conservation and recreation organizations in a partnership relationship with the Forest Service, such as the Georgia Department of Natural Resources, the Georgia Bounty Runner's Club, the Southern 4-Wheel Drive Association of Georgia, and the National Wild Turkey Federation. Whenever actual impacts were identified, we requested supporting information. For example, we obtained documentation from four timber purchasers describing the impact of suspending the timber sales. When such data

were unavailable, we obtained the opinions of Forest Service officials and other stakeholders about the potential consequences. Whenever possible, we provide quantitative information on the consequences attributed to the appeals court's decision. We did not independently verify the reliability of the data provided nor did we trace the data to the systems provided by the Forest Service or others. We conducted our work from April through October 2000 in accordance with generally accepted government auditing standards.

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 15 days after the date of this letter. At that time, we will provide copies to the appropriate congressional committees, interested Members of Congress, and other interested parties. The letter will also be available on GAO's home page at <http://www.gao.gov>. If you have any questions about this report, please contact me at (202) 512-3841. Other key contributors to this report were Gene Barnes, John Hunt, Rich Johnson, and Gary M. Malavenda.

Sincerely yours,

A handwritten signature in black ink that reads "Barry T. Hill". The signature is written in a cursive, flowing style.

Barry T. Hill
Director, Natural
Resources and Environment

Enclosures - 4

Suspended Projects Within the Chattahoochee-Oconee

National Forests and Related Impacts

This enclosure provides information on those projects within the Chattahoochee-Oconee National Forests that were suspended by the Forest Service as a result of the decision in *Sierra Club v. Martin* by the United States Court of Appeals for the 11th Circuit. In total, there were 49 suspended projects: 22 for timber sales, 5 for trail or campsite construction, 6 for prescribed burning, 7 for timber stand improvement, 3 for shooting ranges, 5 for wildlife opening development, and 1 for a helispot. The projects are presented by ranger district, and the descriptions include their location by county (and by compartment for timber sale projects⁶), their purpose, and the impacts attributed to their suspension. Information describing the timber sales projects was obtained from the Forest Service and relevant timber purchasers.

Armuchee Ranger District

Timber Sale Projects

- Chattooga County (Compartments 920, 921, and 922): The purpose was to (1) manage high-quality hardwood and pine saw-timber size trees and (2) provide for diversity of plant and animal communities while managing wildlife habitats to maintain viable populations of the native vertebrate species and providing the public with a wide range of hunting, fishing, and nonconsumptive opportunities to enjoy wildlife. The remaining 261,000 board feet from the sale has a value of \$22,630. We were unsuccessful in contacting the purchaser to discuss the impact.
- Whitfield and Walker counties (Compartments 903, 904, and 905): The purpose was to (1) manage high-quality hardwood and pine saw-timber size trees and (2) provide for diversity of plant and animal communities while managing wildlife habitats to maintain viable populations of the native vertebrate species and providing the public with a wide range of hunting, fishing, and nonconsumptive opportunities to enjoy wildlife. The remaining 1,924,000 board feet from the sale has a value of \$142,293. We were unsuccessful in contacting the purchaser to discuss the impact.

Timber Stand Improvement

- Walker County (involving 169 acres): The purpose was chemical release and planting. Two small business contracts totaling \$4,370 were cancelled as a result of the project's suspension.

⁶A compartment is an administrative division of a ranger district that is created to help organize records. Its size is about 1,000 acres, and its boundaries should be permanent features that can be recognized on the ground, such as roads, trails, streams, or ridges.

Brasstown Ranger District

Timber Sale Projects

- Towns County (Compartments 329, 330, 331, 332, and 333): The purpose was to (1) sustain a high annual or regular periodic output of various renewable resources (including timber products and wildlife habitat); (2) provide opportunities to improve fisheries habitat; (3) provide for diversity of plant and animal communities and tree species to meet multiple-use objectives; (4) manage fish and wildlife habitats to maintain viable populations of the existing native vertebrate species and to maintain and improve the habitat of management indicator species; (5) provide the public with a wide range of hunting, fishing, and nonconsumptive opportunities to enjoy wildlife; and (6) manage for the production of high-quality hardwood and pine saw-timber size trees. The remaining 315,000 board feet from the sale has a value of \$21,262. The timber sale was terminated on December 31, 1999, and the timber purchaser said he went out of business because of the suspended timber sale. A negotiated settlement was reached with the Forest Service that cancelled the timber sale contract and relieved the purchaser from any liability under the contract. The purchaser declared that 90 percent of his business depended on Forest Service timber and that he settled for less than the amount claimed because he was about to lose his house.
- Towns County (Compartments 315, 317, and 326): The purpose was to (1) sustain a high annual or regular periodic output of various renewable resources (including timber products and wildlife habitat); (2) provide opportunities to improve fisheries habitat; (3) provide for future forest health; (4) provide for diversity of plant and animal communities and tree species to meet multiple-use objectives; (5) manage fish and wildlife habitats to maintain viable populations of the native vertebrate species and to maintain and improve the habitat of management indicator species; (6) provide the public with a wide range of hunting, fishing, and nonconsumptive opportunities to enjoy wildlife; and (7) manage for the production of high-quality hardwood and pine saw-timber size trees. The remaining 70,000 board feet from the sale has a value of \$3,343. The sale was terminated on December 31, 1999. See preceding sale for related information.

Trail Construction

- Union County (involving 50 acres near Beasley Knob and Davenport Mountain northwest of Blairsville): The purpose was to relocate off-road vehicle trails to locations that would lessen resource damage, to close and revegetate sections that were causing resource damage, and to perform needed maintenance on those sections that the Forest Service plans to retain.

Prescribed Burning

- Towns County (involving 12 acres, 6 miles east of Hiawassee): The purpose was to improve wildlife.
- Union, Towns, and Lumpkin counties (involving 3,914 acres): The purpose was to reduce the risk of wildfires.

Timber Stand Improvement

- Located districtwide in Union and Towns counties (involving 497 acres): The purpose was crop tree release with hand tools. A small business contract totaling \$29,820 was cancelled as a result of the project's suspension.

Wildlife Opening Maintenance

- Rabun, Stephens, White, Fannin, Habersham, Towns, Union, and Lumpkin counties (involving 140 acres): The purpose was to apply herbicides to control pests.

Chattooga Ranger District

Timber Sale Projects

- Habersham County (Compartments 249 and 252): The purpose was to (1) emphasize a sustained high-annual or regular periodic output of various renewable resources (including timber products and wildlife habitat); (2) provide for diversity of plant and animal communities and tree species to meet multiple-use objectives; (3) manage fish and wildlife habitats to maintain viable populations of the native vertebrate species and to maintain and improve the habitat of management indicator species; (4) provide the public with a wide range of hunting, fishing, and nonconsumptive opportunities to enjoy wildlife; (5) manage the production of high-quality hardwood and pine saw-timber size trees; and (6) recognize and meet the visual quality objectives for all distance zones. The remaining 969,000 board feet from the sale has a value of \$50,767.
- Habersham County (Compartment 232): The purpose was to (1) emphasize a sustained high-annual or regular periodic output of various renewable resources (including timber products and wildlife habitat); (2) provide for diversity of plant and animal communities and tree species to meet multiple-use objectives; (3) manage fish and wildlife habitats to maintain viable populations of native vertebrate species and to maintain and improve the habitat of management indicator species; (4) provide the public with a wide range of hunting, fishing, and nonconsumptive opportunities to enjoy wildlife; (5) manage for the production of high-quality hardwood and pine saw-timber size trees; (6) recognize and meet the visual quality objectives for all distance

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zones; and (7) construct a permanent wildlife opening of 1 to 2 acres. The remaining 526,000 board feet from the sale has a value of \$71,341. The purchaser for this sale was the same as for Compartments 32 and 59.

- Habersham County (Compartment 229): The purpose was to (1) provide for a regular periodic output of renewable resources for wildlife habitats and timber products; (2) reduce the potential for attack from the southern pine beetle and for the spread of infestation to adjacent stands or private land; (3) improve saw-timber quality by improving the growth rate of pine and hardwood trees; (4) maintain or enhance diversity by managing for Table Mountain pine and encouraging the hardwood component in pine stands; and (5) provide present and future areas for early-, middle-, and late-successional species of plants and animals. The remaining 1,047,000 board feet from the sale has a value of \$60,808.

Trail Construction

- Stephens County (involving less than a mile of a trail, 3.5 miles west of Toccoa): The purpose was to relocate the Locust Stake Trail to protect soil and water resources.

Shooting Range Construction

- Stephens County (involving 5 acres in Lake Russell Wildlife Management Area, 6 miles east of Cornelia): The Forest Service planned to accomplish the land clearing for the construction of this shooting range through a small timber sale. The project was to include parking facilities. This project was in partnership with the Georgia Department of Natural Resources.

Prescribed Burning

- Habersham and Stephens counties (involving 2,067 acres): The purpose was to reduce the risk of wildfires and improve wildlife habitat.

Wildlife Opening Development

- Lumpkin County (involving 4 acres, 12 miles northeast of Dahlonega): The purpose was to expand a wildlife opening.

Timber Stand Improvement

- Stephens and Habersham counties (involving 628 acres): The purpose was chemical release and mechanical preparation. Two small business contracts totaling \$25,050 were cancelled as a result of the project's suspension.

Cohutta Ranger District

Prescribed Burning

- Murray County (involving 2,241 acres northeast of Chattsworth): The purpose was fuel reduction, wildlife habitat improvement, and ecosystem restoration.

Timber Stand Improvement

- Murray County (involving 400 acres): The purpose was to free a selected crop tree from competing vegetation that was surrounding or overtopping it. Two small business contracts totaling \$24,000 were cancelled as a result of the project's suspension.

Helispot Development

- Murray County (involving 7 acres, six miles southeast of Chattsworth): The purpose was to support and improve the efficiency and reduce the costs of prescribed fire and suppression efforts; it also would have provided a 7-acre wildlife opening.

Oconee Ranger District

Timber Sale Projects

- Jasper County (Compartments 101 and 105): The purpose was to (1) develop a sustained high-level of annual or periodic regular yield of products and services resulting from multiple-use management; (2) protect and improve the quality of renewable resources; (3) provide for diversity of plant and animal communities and tree species to meet multiple-use objectives; (4) maintain a healthy forest not at risk to sudden or widespread change due to insects, disease, or other agents; and (5) have fish and wildlife habitats that maintain viable populations of the native vertebrate species and maintains or improves the habitat of management indicator species; and construct 2 acres of permanent wildlife openings. The remaining 16,000 board feet from the sale has a value of \$1,520. The timber purchaser filed a claim against the Forest Service. The claim alleges the purchaser was prevented from harvesting and reselling the timber as planned. In addition, the claim alleges the purchaser's subcontract logger was interrupted and suspended and also deprived of the income which it otherwise would have made from harvesting the sale.
- Jasper County (Compartments 107, 114, and 115): The purpose was to (1) develop a sustained high-level of annual or periodic regular yield of products and services resulting from multiple-use management; (2) protect and improve the quality of renewable resources; (3) provide for diversity of plant and animal communities and tree species to meet multiple-use objectives; (4) maintain the forest's health to prevent sudden or widespread change due to insects, disease, or other agents;

(5) manage fish and wildlife habitats to maintain viable populations of the native vertebrate species and to maintain or improve the habitat of management indicator species. The remaining 2,105,000 board feet from the sale has a value of \$43,985. The purchaser for this sale was the same as Compartments 101 and 105 (see above for related comments).

- Putnam County (Compartments 161, 162, and 163): The purpose was to (1) maintain a healthy forest; (2) provide a diversity of plant and animal communities and tree species; (3) improve the quality of resources; (4) have fish and wildlife habitats that maintain viable populations the existing native vertebrate species and maintains or improves habitat of management indicator species; and (5) construct a 1-acre grassed wildlife opening. The remaining 182,000 board feet from the sale has a value of \$10,113. The purchaser for this timber sale was the same as Compartments 101, 105, 107, 114, and 115 (see above for related comments).
- Putnam and Jasper counties (Compartments 137, 139, 140, and 142): The purpose was to (1) maintain a healthy forest not at risk to sudden or widespread change due to insects, disease, or other agents; (2) provide for diversity of plant and animal communities and tree species to meet multiple-use objectives; (3) protect and improve the quality of renewable resources; (4) protect and improve the habitat of threatened and endangered plant and animal species; and (5) construct 5 acres of wildlife openings. The remaining 1,576,000 board feet from the sale has a value of \$226,132. The purchaser estimated that about 50 percent of their business was from harvesting national forest timber.
- Greene County (Compartment 181): The purpose was to (1) provide a high level of renewable resource outputs for wildlife habitat and timber products; (2) improve the quality of resources; (3) provide a diversity of plant and animal communities and tree species; (4) maintain a healthy forest; (5) have viable populations at the forest level of existing native vertebrate and desired non-native species and maintenance or improvement of the habitat of management indicator species; and (6) construct 4 acres of wildlife openings. The remaining 467,000 board feet from the sale has a value of \$9,660. The purchaser said that amount of its business from harvesting national forest timber was minimal.
- Greene and Oglethorpe counties (Compartments 166, 167, 168, 172, 175, 176, 179, 182, 183, 184, 185, 187, 188, and 191): The purpose was to (1) have successful regeneration; (2) prevent overstocking of loblolly pine seedlings in the stands; (3) reduce the threat of diseases and insect infestations; (4) increase the availability of light, nutrients, and water for the residual stand; (5) improve wildlife habitat; and (6) improve diversity. The remaining 955,000 board feet from the sale has a value of \$293,475. The purchaser estimated that about 4 percent of its business was from harvesting national forest timber.

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- Putnam County (Compartments 144 and 145): The purpose was to (1) maintain a healthy forest not at risk to sudden or widespread change due to insects, disease, or other agents; (2) provide for diversity of plant and animal communities and tree species to meet multiple-use objectives; (3) protect and improve the quality of renewable resources; (4) protect and improve the habitat of threatened and endangered plant and animal species; and (5) construct 5 acres of wildlife openings. The remaining 2,212,000 board feet from the sale has a value of \$97,147. The purchaser for this sale was the same as Compartments 101, 105, 107, 114, 115, 161, 162, and 163 (see above for related comments).
- Putnam County (Compartments 146, 149, and 150): The purpose was to (1) maintain a healthy forest not at risk to sudden or widespread change due to insects, disease, or other agents; (2) provide for diversity of plant and animal communities and tree species to meet multiple-use objectives; (3) protect and improve the quality of renewable resources; (4) protect and improve the habitat of threatened and endangered plant and animal species; and (5) construct of 3 acres of wildlife openings. The remaining 1,661,000 board feet from the sale has a value of \$156,179. The purchaser for this sale was the same as Compartments 137, 139, 140, and 142 (see above for related comments).

Trail Construction

- Greene County (involving 10 miles of trails, located 9 miles north of Greensboro): The purpose was to reconstruct an old horse trail and construct a new trail. Failure to implement this project would result in soil and water issues and sediment concerns not being addressed, according to a Forest Service official. This project also included the construction of parking facilities to provide more convenience and access to the public.
- Jones County (involving 10 miles of trails, six miles south of Hillsboro): The purpose was to construct a trail for all-terrain vehicles. A total of \$ 56,000 in federal funds made available under the Transportation Enhancement Act for the 21st Century was lost as result of the project's suspension.

Shooting Range

- Putnam County (involving 4-6 acres, 7 miles southwest of Eatonton): The purpose was to provide a facility for shooting enthusiasts in the Putnam County area.
- Greene County (involving 7 acres, 8 miles northwest of Greensboro): The purpose was to construct a facility to ensure public safety.

Timber Stand Improvement

- Greene, Jasper, Jones and Putnam counties (involving 402 acres): The purpose was to free a selected crop tree from competing vegetation that was surrounding or overtopping vegetation. A small business contract totaling \$10,450 was cancelled as a result of the project's suspension.

Tallulah Ranger District

Timber Sale Projects

- Rabun County (Compartment 32): The purpose was to (1) provide for the sustained yield of products and services resulting from multiple-use management; (2) manage for a diversity of plant and animal communities and tree species to meet multiple-use objectives; (3) manage for the production of high-quality saw-timber; and (4) provide the public with a wide range of hunting, fishing, and other opportunities to enjoy wildlife. The remaining 358,000 board feet from the sale has a value of \$17,794. The purchaser estimated that about 75 percent of their business was from harvesting National Forest timber. The purchaser obtained additional timber to replace the volume contained in the suspended sale in order to continue to supply its mills. In addition, the purchaser has a claim against the Forest Service.
- Rabun County (Compartment 5): The purpose was to (1) emphasize a sustained high annual or regular periodic output of various renewable resources (including timber products and wildlife habitat); (2) manage for the production of high-quality hardwood and pine saw-timber size trees; (3) provide a diverse and productive habitat for wildlife and fish, clean water and air, recreation opportunities, valuable wood products, and long-term stability of the ecosystem; (4) provide the public with a wide range of hunting, fishing, and nonconsumptive opportunities for enjoying wildlife; and (5) provide for the diversity of plant and animal communities and tree species to meet multiple-use objectives. The remaining 1,694,000 board feet from the sale has a value of \$209,533. This sale was one of the sales subject to the original litigation. The purchaser estimated that about 30 percent to 50 percent of their business was from harvesting National Forest timber. The purchaser has filed a claim against the Forest Service for lost revenue because it was forced to use white and red oak in its mill in lieu of the white pine, completed roadwork, and had bonding costs.
- Rabun County (Compartment 59): The purpose was to (1) emphasize a sustained high annual or regular periodic output of various renewable resources (including timber products and wildlife habitat); (2) provide for diversity of plant and animal communities and tree species to meet multiple-use objectives; (3) manage fish and wildlife habitats to maintain viable populations of the native vertebrate species and to maintain and improve the habitat of management indicator species; (4) provide the public with a wide range of hunting, fishing, and nonconsumptive opportunities to

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enjoy wildlife; and (5) manage for the production of high-quality hardwood and pine saw-timber size trees. The remaining 1,292,000 board feet from the sale has a value of \$169,428. This sale was one of the sales subject to the original litigation. The purchaser for this compartment was the same as Compartment 32 (see above for related comments).

Camp Site Renovation

- Rabun County (involving 40 acres, 15 miles northwest of Clayton): The purpose was to address existing soil and water issues. Sedimentation resulting from heavy public use was causing resource degradation and lessening the recreation experience for users. Plans were to close some existing camping sites and to develop new ones in areas that would have less impact on Sarah's Creek.

Prescribed Burning

- Rabun County (involving 4,156 acres): The purpose was to reduce the risks of wildfire and restore the Table Mountain Pine species.

Wildlife Opening Maintenance

- Rabun County (involving 8 acres, 10 miles northeast of Clayton): The purpose was to improve wildlife habitat and remove rough for discing.

Timber Stand Improvement

- Rabun County (involving 325 acres): The purpose was to free a selected crop tree from competing vegetation that was surrounding or over-topping vegetation. A small business contract totaling \$19,500 was cancelled as a result of the project's suspension.

Toccoa Ranger District

Timber Sale Projects

- Fannin County (Compartments 646, 647, 665, and 666): The purpose was to (1) emphasize a sustained high-level annual or regular periodic output of various renewable resources; (2) provide a sustained yield of products and services resulting from multiple-use management; (3) manage for the production of high-quality hardwood and pine saw-timber size trees; (4) provide diversity of plant and animal communities and tree species to meet multiple-use objectives; (5) manage fish and wildlife habitats to maintain viable populations of the native vertebrate species and to maintain and improve the habitat of management indicator species; (6) provide the public with a wide range of hunting, fishing, and nonconsumptive opportunities to enjoy wildlife; and (7) construct 3 wildlife openings. The remaining 864,000 board

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feet from the sale has a value of \$113,889. We were unsuccessful in contacting the purchaser to discuss the impact.

- Fannin County (Compartment 617): The purpose was to (1) provide a sustained yield of products and services resulting from multiple-use management and emphasize a sustained high level annual or regular periodic output of various renewable resources (including timber products and wildlife habitat); (2) provide a diversity of plant and animal communities and tree species to meet multiple-use objectives; and (3) manage fish and wildlife habitats to maintain viable populations of the native vertebrate species and to maintain and improve the habitat of management indicator species. The remaining 611,000 board feet from the sale has a value of \$88,311.
- Gilmer County (Compartments 673 and 698): The purpose was to (1) emphasize a sustained high level annual or regular periodic output of various renewable resources (including timber products and wildlife habitat); (2) provide for a sustained yield of products and services; (3) manage for the production of high-quality hardwood and pine saw-timber size trees; (4) provide diversity of plant and animal communities and tree species to meet multiple-use objectives; (5) manage fish and wildlife habitats to maintain viable populations of the native vertebrate species and to maintain and improve the habitat of management indicator species; and (6) provide the public with a wide range of hunting, fishing, and nonconsumptive opportunities to enjoy wildlife. The remaining 523,000 board feet from the sale has a value of \$33,634. We were unsuccessful in contacting the purchaser to discuss the impact.
- Fannin County (Compartment 621): The purpose was to (1) emphasize a sustained high level annual or regular periodic output of various renewable resources (including timber products and wildlife habitat); (2) provide a sustained yield of products and services; (3) manage for the production of high-quality hardwood and pine saw-timber size trees; (4) provide diversity of plant and animal communities and tree species to meet multiple-use objectives; (5) manage fish and wildlife habitats to maintain viable populations of the native vertebrate species and to maintain and improve the habitat of management indicator species; and (6) provide the public with a wide range of hunting, fishing, and nonconsumptive opportunities to enjoy wildlife. The remaining 258,000 board feet from the sale has a value of \$21,892. We were unsuccessful in contacting the purchaser to discuss the impact.

Prescribed Burning

- Union and Fannin counties (involving 4,445 acres): The purpose was to reduce the risk of wildfires and improve wildlife habitat.

Wildlife Opening Development

- Lumpkin County (involving 3 acres, 12 miles northwest of Dahlonega): The purpose was to develop an opening to provide diversity and produce a nutritional supplemental food source for the local habitat.
- Fanin County (involving 3 acres, 16 miles southeast of Blue Ridge): The purpose was to develop an opening to provide diversity and produce a nutritional supplemental food source for the local habitat.

Timber Stand Improvement

- Fannin County (involving 450 acres): The purpose was to free a selected crop tree from competing vegetation that is surrounding or overtopping vegetation. A small business contract totaling \$27,000 was cancelled as a result of the project's suspension.

**Timber Cut and Sold From the National Forests in Alabama,
Florida, and Georgia, Fiscal Years 1996 Through June 2000**

The national forests in Alabama, Florida, and Georgia experienced a decrease in the amount of timber cut and sold for fiscal years 1996 through June 2000.

Board feet in thousands

State	1996		1997		1998		1999		2000 (through June)	
	Sold	Cut	Sold	Cut	Sold	Cut	Sold	Cut	Sold	Cut
Alabama	47,890	65,027	26,464	31,364	28,522	32,694	13,279	19,449	3,804	14,910
Florida	48,782	35,830	35,729	32,295	42,656	51,229	22,451	26,148	20,461	22,097
Georgia	34,920	40,006	11,244	27,089	19,628	13,750	3,782	9,263	335	716
Subtotal	131,592	140,863	73,437	90,748	90,806	97,673	39,512	54,860	24,600	37,723
Total for the Southern Region	678,160	847,349	606,612	571,596	667,299	636,749	406,635	594,761	294,415	360,652

Source: GAO's presentation of data provided by the Forest Service's Southern Regional Office.

25-Percent Payments From Timber Receipts to Counties in Georgia and Alabama, Fiscal Years 1996 Through 1999

The following two tables present the funds counties in Georgia and Alabama received from the 25-percent payments that are based on the amount of national forest acreage in each county.

Table III.1: 25-Percent Payments From Timber Receipts to Counties in Georgia, by National Forest, Fiscal Years 1996 Through 1999

National forest and county	1996	1997	1998	1999
Chattahoochee National Forest				
Banks	\$502	\$386	\$208	\$87
Catoosa	5	4	2	1
Chattooga	14,973	11,520	6,216	2,592
Dawson	5,220	4,016	2,167	904
Fannin	81,913	63,036	34,014	14,184
Floyd	5,113	3,934	2,122	885
Gilmer	42,361	32,290	17,424	7,266
Gordon	6,236	4,798	2,589	1,080
Habersham	30,780	23,688	12,782	5,330
Lumpkin	43,970	33,829	18,254	7,612
Murray	39,383	30,509	16,462	6,865
Rabun	114,860	88,400	47,717	19,899
Stephens	17,995	13,845	7,471	3,115
Towns	44,430	34,183	18,445	7,692
Union	75,566	58,140	31,372	13,083
Walker	14,551	11,195	6,041	2,519
White	31,853	24,511	13,239	5,527
Whitfield	9,049	6,962	3,757	1,567
Subtotal	\$578,760	\$445,246	\$240,282	\$100,208
Oconee National Forest				
Greene	\$59,122	\$39,472	\$11,354	\$38,530
Jasper	63,360	42,315	12,172	41,298
Jones	34,793	23,229	6,682	22,675
Monroe	534	356	102	348
Morgan	916	611	176	597
Oconee	335	224	64	218
Oglethorpe	8,029	5,361	1,542	5,233
Putnam	79,372	52,992	15,243	51,727
Subtotal	\$246,461	\$164,560	\$47,335	\$160,626
Total	\$825,221	\$609,806	\$287,617	\$260,834

Source: GAO's presentation of data from the Forest Service's Southern Regional Office.

Table III.2: 25-Percent Payments From Timber Receipts to Counties in Alabama, by National Forest, Fiscal Years 1996 Through 1999

National forest and county	1996	1997	1998	1999
Bankhead National Forest				
Franklin	\$2,264	\$1,351	\$1,780	\$1,251
Lawrence	166,643	99,475	131,085	92,065
Winston	164,536	97,998	129,137	90,696
Subtotal	\$333,443	\$198,824	\$262,002	\$184,012
Conecuh National Forest				
Covington	\$708,238	\$136,482	\$ 84,629	\$22,915
Escambia	379,250	73,084	45,316	12,270
Subtotal	\$1,087,488	\$209,566	\$129,945	\$35,185
Talladega National Forest				
Bibb	\$93,059	\$86,668	\$115,523	\$63,442
Calhoun	36,232	33,700	44,921	24,711
Cherokee	3,483	3,240	4,318	2,371
Chilton	35,106	32,884	43,832	24,071
Clay	98,103	91,592	122,087	67,047
Cleburne	146,899	137,033	182,658	100,310
Dallas	3,247	3,020	4,025	2,211
Hale	43,593	40,547	54,046	29,680
Perry	50,137	46,633	62,162	34,136
Talladega	68,523	65,169	87,057	47,809
Tuscaloosa	16,341	15,199	20,259	11,125
Subtotal	\$594,723	\$555,685	\$740,888	\$406,913
Tuskegee National Forest				
Macon	\$34,224	\$344	\$2	\$1,030
Total	\$2,049,878	\$964,419	\$1,132,837	\$627,140

Source: GAO's presentation of data from the Forest Service's Southern Regional Office.

Comments From the U.S. Department of Agriculture



United States
Department of
Agriculture

Forest
Service

Washington Office

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Washington, DC 20090-6090

File Code: 1420/1900

Date:

NOV 13 2000

Mr. Barry T. Hill
Director, Natural Resources and Environment
United States General Accounting Office
Washington, D. C. 20548

Dear Mr. Hill:

Enclosed are the Forest Service comments on the draft report entitled Consequences of the Ruling by the 11th Circuit Court of Appeals on Forest Management Projects (GAO-01-51R). While much of the information in the draft report is correct, it presents a very incomplete picture by failing to provide information regarding the important role of monitoring for various species as a means of evaluating whether Land and Resource Management objectives for species conservation are being accomplished, and as a means of evaluating the effects of management actions.

The Forest Service would like to take this opportunity to reaffirm its commitment to implement direction in the Southern Region's Land and Resource Management Plans regarding circumstances under which it is appropriate to conduct inventories for proposed, endangered, threatened, and sensitive species. We also remain committed to implementing direction in our planning regulation that states: "Population trends of management indicator species will be monitored and relationships to habitat changes determined." (36 CFR 219.19(a)(6)).

One of the important changes that relates to monitoring is that the FY 2001 Interior and Related Agencies Appropriation provides the Forest Service with an increase of more than \$50 million for inventories and monitoring related to land and resource management plans. While not all of this increase will be used to monitor population trends of management indicator species, it clearly bolsters our capability to conduct this important activity.

Another significant change involves the new planning regulation for the Forest Service, which is about to be published. It includes requirements related to monitoring ecological conditions important for certain categories of species. Management Indicator Species are not part of the new regulation. The new regulation makes it clear that a plan monitoring strategy may require population monitoring for certain categories of species but that such monitoring may be accomplished by a variety of methods, including inferring population status from ecological conditions. The new language will eliminate some of the confusion that exists regarding the types of information that could be used to satisfy the direction related to monitoring population trends. During a transition period to phase in the implementation of the new regulation through plan revisions, the existing regulation will continue to apply.



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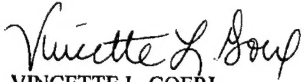


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Mr. Barry Hill

If you have additional questions, please contact the Agency's External Audit Liaison, Linda Washington at (202) 205-3761.

Sincerely,



VINCETTE L. GOERL
Chief Financial Officer
Deputy Chief, Office of Finance

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